

## Message Text

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PAGE 01 TOKYO 06281 121024Z  
ACTION EA-12

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R 121012Z APR 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 7006

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E.O. 11652: N/A  
TAGS: ELAB, JA  
SUBJECT: MANPOWER'S OPERATIONS IN JAPAN

REF: TOKYO 04335

1. SUMMARY. MINISTRY OF LABOR TOLD EMBASSY LABATT THAT IT HAS NOT YET MADE FORMAL RULING ON WHETHER MANPOWER JAPAN IS IN VIOLATION OF 1947 EMPLOYMENT SECURITY LAW AND ASSURED HIM THAT WHATEVER DECISION IS TAKEN, IT WOULD BE BASED ON CAREFUL INTERPRETATION OF LAW AND WOULD APPLY EQUALLY TO ALL COMPANIES IN SAME FIELD, REGARDLESS OF WHETHER THEY WERE JAPANESE OR FOREIGN-OWNED. EMBASSY BELIEVES MINISTRY OF LABOR NOT ANXIOUS TO REACH DECISION IN THIS CASE AND THAT FURTHER EMBASSY INVOLVEMENT COULD BE COUNTERPRODUCTIVE. END SUMMARY.

2. MINISTRY OF LABOR (MOL) EMPLOYMENT ASSISTANCE SECTION STAFFER OGAMI, WORKING LEVEL MOL OFFICIAL DEALING WITH MANPOWER INCORPORATED, OUTLINED TO LABATT APRIL 11 STATUS OF MOL'S INVESTIGATION OF WHETHER OPERATIONS OF MANPOWER JAPAN ARE IN VIOLATION OF JAPAN'S EMPLOYMENT SECURITY LAW.

3. ACCORDING TO OGAMI, INVESTIGATION HAS GONE ON FOR SEVERAL YEARS AND HAS CENTERED AROUND PROVISIONS OF LAW  
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PAGE 02 TOKYO 06281 121024Z

WHICH (1) PERMIT PRIVATE EMPLOYMENT AGENCIES OR LABOR EXCHANGE SERVICES TO OPERATE IN A LIMITED NUMBER OF CLEARLY SPECIFIED OCCUPATIONAL FIELDS ONLY IF LICENSED BY THE MOL, AND (2) BAR "LABOR SUPPLYING SERVICES" IN ALL OTHER FIELDS. CONTRARY TO IMPRESSION WE RECEIVED FROM MANPOWER REPRESENTATIVES (REFTL), MOL HAS NOT YET REACHED DEFINITE DECISION AND HAS NOT, THEREFORE, REFERRED CASE TO MINISTRY

OF JUSTICE (MOJ) FOR INDICTMENT. OGAMI SAID THAT ON OTHER HAND, MOL RECOGNIZED THAT 1947 EMPLOYMENT SECURITY LAW WAS DRAFTED IN RESPONSE TO US OCCUPATION AUTHORITIES' DEMAND THAT EXPLOITATION OF LONGSHOREMEN AND MIGRANT FARM WORKERS BY PRIVATE GANGS AND LABOR EXCHANGES BE ENDED AND THAT DRAFTERS OF LAW NEVER ENVISAGED AN OPERATION SUCH AS THE ONE CONDUCTED BY MANPOWER HERE. MOL HAS THEREFORE ASKED MOJ FOR INFORMAL ADVISORY OPINION ON WHETHER 1947 LAW SHOULD BE CONSIDERED AS APPLYING TO SITUATION FOR WHICH IT WAS NEVER INTENDED. MOL DOES NOT EXPECT MOJ TO RESPOND RAPIDLY TO ITS REQUEST. NEVERTHELESS, OGAMI ADDED THAT THERE WAS FEELING IN MOL THAT IF LAW WAS STRICTLY INTERPRETED, MANPOWER WOULD INDEED BE IN VIOLATION OF IT.

4. OGAMI DENIED THAT MANPOWER WAS BEING SINGLED OUT FOR DISCRIMINATORY TREATMENT OF ANY KIND BECAUSE IT WAS A FOREIGN-CAPITALIZED OPERATION. OGAMI SAID MANPOWER WAS THE FIRST OPERATION OF ITS KIND IN JAPAN AND THAT GOJ BUREAUCRACY HAD DIFFICULTY IN DECIDING WHICH LABOR LAWS APPLIED TO IT. OGAMI ASSURED LABATT THAT IF ADVERSE RULING WAS MADE IN MANPOWER CASE, IT WOULD APPLY EQUALLY TO ALL OTHER SIMILAR OPERATIONS IN JAPAN, REGARDLESS OF WHETHER THEY WERE OWNED BY JAPANESE OR FOREIGNERS.

5. COMMENT: LABATT CONVINCED THERE IS NO REASON TO LIMITED OFFICIAL USE

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PAGE 03 TOKYO 06281 121024Z

QUESTION OGAMI'S ASSURANCES THAT MOL'S PROCESS OF DECISION-MAKING IN THIS CASE NOT INFLUENCED IN ANY WAY BY FACT THAT MANPOWER IS AMERICAN-OWNED RATHER THAN JAPANESE-OWNED COMPANY. FURTHERMORE, IT WOULD APPEAR FROM VERY SLOW PACE OF MOL'S INVESTIGATION THAT IT IS NOT AT ALL ANXIOUS TO REACH DEFINITIVE DECISION IN THIS CASE BECAUSE IT MIGHT HAVE TO RULE AGAINST COMPANY THAT HAS BEEN OPERATING SUCCESSFULLY FOR SOME YEARS. THIS IS TYPICAL JAPANESE BUREAUCRATIC BEHAVIOR. IN THIS CASE, WE HAVE MUCH TO GAIN BY NOT ROUSING WHATEVER SLEEPING DOGS MAY BE LYING IN EMPLOYMENT SECURITY BUREAU. FURTHER EMBASSY INVOLVEMENT, NO MATTER HOW DISCREET, COULD FORCE

MOL TO MAKE RULING THAT WOULD ULTIMATELY BE HARMFUL TO MANPOWER'S INTERESTS. MANPOWER JAPAN'S LAWYER IS OLD JAPAN HAND AND SHOULD BE AWARE OF THIS. IN ANY CASE, EMBASSY WILL PASS SUBSTANCE OF ABOVE TO MANPOWER JAPAN LTD. PRESIDENT FINNERTY. MANSFIELD

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## Message Attributes

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